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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Case No. 12-12020 (MG)
)	
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,)	Chapter 11
)	
Debtors.)	Jointly Administered
)	

**DECLARATION OF PAUL GALANTE IN SUPPORT OF DEBTORS' CONSOLIDATED
RESPONSE TO THE COURT'S ORDER TO SHOW CAUSE WHY PRO HAC VICE
ADMISSION OF WENDY NORA SHOULD NOT BE REVOKED AND TO WENDY
NORA'S MOTION TO VACATE JUDGE GLENN'S VERBAL "ORDERS"**

I, PAUL GALANTE, hereby declare as follows:

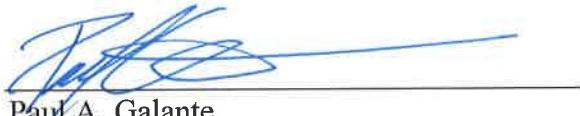
I am an attorney duly licensed to practice law in the State of New York, and am an associate with the law firm of Morrison & Foerster LLP, counsel for the defendant in this action. I submit this declaration in support of *Debtors' Consolidated Response to the Court's Order to Show Cause Why Pro Hac Vice Admission of Wendy Nora Should Not Be Revoked and to Wendy Nora's Motion to Vacate Judge Glenn's Verbal "Orders."* Except where otherwise indicated, I

have personal knowledge of the facts set forth in this declaration and, if called upon as a witness, I could and would testify competently as to these facts.

Attached hereto as Exhibit 1 is a true and correct copy of excerpts from the Transcript of Hearing, *In re: Residential Capital, LLC, et al.*, No. 12-12020 (MG) (Bankr. S.D.N.Y.), dated October 9, 2013.

I declare under penalty of perjury under the laws of the law of the United States of America that the foregoing is true and correct.

Executed this 31st day of October, 2013, at New York, New York.



Paul A. Galante

Exhibit 1

In Re:
RESIDENTIAL CAPITAL, LLC, et al.
Case No. 12-12020-mg

October 9, 2013

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For more information about the study, please contact Dr. John P. Morrissey at (214) 648-5000 or via email at john.morrissey@utdallas.edu.

SOUTHERN DISTRICT OF NEW YORK

4 Case No. 13-13030-ma

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6 | In the Matter of:

7

8 RESIDENTIAL CAPITAL, LLC, et al.,

9

10 | Debtors.

11

13

14 United States Bankruptcy Court

15 One Bowling Green

16 New York, New York

17

18 October 9, 2013

19 | Page

20

21 | BEFORE:

22 HON. MARTIN GLENN

U.S. BANKRUPTCY JUDGE

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1
2 Doc# 5227 Motion to Approve / Notice of Debtors' Motion
3 Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code
4 for an Order Approving Amendment to Engagement Letter with
5 Debtors' Chief Restructuring Officer, Lewis Kruger

6

7 Doc# 4768, (CC: Doc no. 4649) Hearing RE: Phillip Scotts'
8 Motion to (1) Determine that Bankruptcy Estate Owns Title to
9 Note, (2) Void State Court Title Transfer, and (3) Enjoin Post
10 Petition State Court Prosecution (related document(s)4649)

11

12 (CC: Doc# 4635) Adj. Hearing RE: Motion for Objection to
13 Claim(s)/ Debtors' Objection to Proofs of Claim.

14

15 (CC: Doc# 4947) Motion for Objection to Claim(s) Number:
16 242/Claim Filed by Paul N. Papas II.

17

18 (CC: Doc# 4156) Adj. Hearing RE: Motion for Omnibus Objection
19 to Claim(s) /Debtors' Twentieth Omnibus Objection to Claims
20 (Borrower Claims with Insufficient Documentation). Hearing on
21 this matter as it relates to Mark Ragonese is going forward.

22

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2 (CC: Doc# 4199, 4831) Adj. Hearing RE: Motion for Omnibus
3 Objection to Claim(s) /Debtors' Twenty-Second Omnibus Objection
4 to Claims (Borrower Claims with Insufficient Documentation).
5 Going forward as to the proof of claim filed by William C.
6 Walker and Keiran Walker (Claim No. 5529) and George Davis
7 (Claim No. 3443).

8

9 (CC: Doc# 4734) Adj. Hearing RE: Motion for Omnibus Objection
10 to Claim(s) / Twenty-Sixth Omnibus Objection to Claims
11 (Borrower Claims with Insufficient Documentation) Hearing Going
12 Forward as to claims of Phenon Walker (Claim No. 5429), Fannie
13 Kendrick Dietrich (Claim No. 1385), and Juana Cerna (Claim No.
14 3816). Hearing as it relates to the claim filed by Mary Lynn
15 Weber (Claim No. 3474) adj. to 11/7/2013.

16

17 (CC: Doc# 4735) Adj. Hrg. RE: Motion for Omnibus Objection to
18 Claim(s) / Debtors' Twenty-Seventh Omnibus Objection to Claims
19 (Borrower Claims with Insufficient Documentation) Going Forward
20 as to Claims of Phenon Walker (Claim No. 4942), Freddie M.
21 Scott (Claim No. 3751), and Bette Jean Yelder (Claim No. 2002).

22

23 (CC: Doc# 4902) Omnibus Motion for Omnibus Objection to
24 Claim(s) / Debtors' Thirty-First Omnibus Objection to Claims
25 (Late-Filed Borrower Claims)

1
2 (CC: Doc# 4887) Motion for Omnibus Objection to Claim(s) /
3 Debtors' Thirtieth Omnibus Objection to Claims (No Liability
4 Borrower Claims - Books and Records).
5 Reset for 11/07/2013 at 2:00 pm as to claim of Gwendell L.
6 Philpot (Claim No. 5067) and; James C. and Judith A. Winkler
7 (Claim No. 3582). Hearing as it relates to all other claimants
8 will be going forward.

9

10 (CC: Doc# 4996, 4998) Motion for Omnibus Objection to
11 Claim(s)/ Debtors' Thirty-Third Omnibus Claims Objection
12 (Facially Defective and Time-Barred Securities Claims) with
13 hearing to be held on 10/9/2013 at 10:00 AM at Courtroom 501
14 (MG) Responses due by 9/30/2013.

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1 MS. HAGER: Okay.

2 THE COURT: Okay. It could have been a dollar. It
3 would still raise the same issue as to whether it's asserted a
4 claim for the liability.

5 MS. HAGER: And we respectfully submit, as is set
6 forth in our papers, that the proof of claim, as filed, even
7 adding in all the documents with the reply, fails to state a
8 sound legal basis for any claims against any of these debtors.

9 THE COURT: All right. I'm going to take it under
10 submission.

11 MS. HAGER: Thank you. Let's see. That will bring us
12 to the second contested matter which is Paul Papas. I think my
13 colleague Adam Lewis will be handling that. Thank you, Your
14 Honor. May I be excused?

15 THE COURT: Yes, you can.

16 MS. HAGER: Thank you.

17 THE COURT: Who is here for Mr. Papas?

18 MR. LEWIS: I think Ms. Nora is here today.

19 Your Honor, Adam Lewis.

20 THE COURT: Hang on just a second. Ms. Nora come up
21 here. Ms. Nora, are you appearing for Mr. Papas?

22 MS. NORA: I am, Your Honor.

23 THE COURT: Have you been admitted pro hac vice to
24 represent Mr. Papas?

25 MS. NORA: I have, Your Honor. I have --

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1 THE COURT: No, you haven't.

2 MS. NORA: I've been --

3 THE COURT: No, you haven't.

4 MS. NORA: -- admitted pro hac vice to represent
5 myself --

6 THE COURT: Speak into the microphone.

7 MS. NORA: -- myself and all others similarly
8 situated.

9 THE COURT: Well, that's wrong. That's wrong. Okay.

10 MS. NORA: Are you revoking that order today?

11 THE COURT: Well, I'm entering an order -- I'm going
12 to enter an order to show cause --

13 MS. NORA: Okay.

14 THE COURT: -- why your -- why leave to appear in the
15 ResCap cases pro hac vice should not be revoked.

16 MS. NORA: All right.

17 THE COURT: Okay.

18 MS. NORA: I need to be able to respond to that --

19 THE COURT: I went back -- stop. Just -- yes, you
20 will have a chance to respond to it. Okay? I'm going to enter
21 a written order to that effect.

22 I went back and looked at the order that got entered,
23 it was in the form you submitted it. It doesn't say -- you
24 recite that you think you're representing thousands of people.
25 You have your own lawsuit. And it's certainly proper for you,

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1 pro se, to appear.

2 Have you appeared for any other creditors in this
3 case?

4 MS. NORA: I have, Your Honor.

5 THE COURT: How many?

6 MS. NORA: I have appearances for Shane Haffey as co-
7 counsel with pro hac vice counsel, Heather McKeever that will
8 be heard on November --

9 THE COURT: Okay.

10 MS. NORA: -- 7th.

11 THE COURT: All right. I'm going to enter -- well, if
12 it's going to be heard on November 7th, I will enter an order
13 to show cause why your pro hac vice admission should not be
14 revoked for anyone other than appearing on your own behalf.

15 The pleadings you filed in this matter, this specific matter --

16 MS. NORA: You're talking about Papas?

17 THE COURT: -- yes, I'm talking about Papas.

18 MS. NORA: Yes.

19 THE COURT: Are scurrilous and frivolous and are
20 vexatious. And I believe that they -- even assuming you were
21 admitted pro hac to represent anybody other than yourself, the
22 pleadings you have filed in this matter would support revoking
23 your pro hac vice application. But I'm going to give you a
24 chance to respond to that in writing.

25 MS. NORA: Absolutely, Your Honor. Because this

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1 entire proceeding --

2 THE COURT: Ms. --

3 MS. NORA: -- is a fraud.

4 THE COURT: I do not want to hear -- you have been
5 nothing but accusations about fraud in connection --

6 MS. NORA: We can prove it, Your Honor.

7 THE COURT: Stop.

8 MS. NORA: We can --

9 THE COURT: Don't interrupt, Ms. Nora. Don't
10 interrupt. Go sit down. Go sit down.

11 MS. NORA: I am --

12 THE COURT: I will give you an opportunity to argue
13 with respect to Mr. Papas' claim. If you deviate from
14 addressing solely the issues with respect to Mr. Papas' claim,
15 I will cut you off and I will have you escorted from the
16 courtroom. So go sit down, and I will give you a chance to
17 respond only to the specific issues raised by the objection to
18 the Papas claim.

19 I don't want to hear about approval of the disclosure
20 statement. I don't want to hear about anything else that
21 happened in the case. I don't want to hear anything else from
22 you now. If you say another word, I'm going to have you
23 escorted from the courtroom right now. So go sit down, and I
24 will give you a chance to respond solely with respect to the
25 Papas claim.

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1 to go through that unless you have further questions. These
2 are our main points; they're not our only points. But I think
3 the res judicata -- the claim preclusion, Rooker-Feldman takes
4 out the original proof of claim and anything in the amendment
5 that has to do with the original proof of claim. Anything in
6 the amendment which doesn't have to do with the original proof
7 of claim is late filed.

8 THE COURT: Okay. Let me hear from Ms. Nora.

9 MR. LEWIS: Thank you, Your Honor.

10 THE COURT: And I'll hear from Ms. Nora without -- I
11 want to make clear that she filed a notice of appearance with
12 respect to Mr. Papas reasonably recently. She did not seek pro
13 hac admission to represent Mr. Papas. I think the issue is
14 unclear whether she was admitted to represent anybody other
15 than herself.

16 I'll reserve that until the Court hears -- reads
17 papers and hears argument on the order to show cause. But for
18 today, I'm going to permit Ms. Nora to address specifically the
19 issues raised by the objection to claim.

20 MS. NORA: Thank you, Your Honor.

21 And in addition, I would like to call the Court's
22 attention to the fact that I have previously appeared for Mr.
23 Papas on a limited basis and also for another creditor in these
24 proceedings last year without objection from any party. So --
25 just in terms of the history which will be addressed on the

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1 THE COURT: It went off in every conceivable
2 direction --

3 MR. LEWIS: Pretty --

4 THE COURT: -- other than responding --

5 MR. LEWIS: Yeah.

6 THE COURT: -- to the objection.

7 MR. LEWIS: Right. So on that ground alone --

8 THE COURT: It is that -- that is the reason, frankly,
9 that the Court is going to enter the order to show cause why
10 Ms. Nora's pro hac vice admission is unclear of -- certainly
11 for herself, and she'll be permitted to continue for herself,
12 but for anyone else, this is a frivolous pleading in my view,
13 the reply, the extent it goes off in every tangent possible
14 other than addressing the issues raised in the debtors' papers.

15 MR. LEWIS: Your Honor, my final point is I thought I
16 heard Ms. Nora say -- suggest that the amendment somehow
17 relates to the original proof of claim because the original
18 proof of claim said the property concerned there was an example
19 of what -- that would be pretty cryptic to begin with. But if
20 you look at the original proof of claim, there's no talking
21 about its being an example of anything. There's only one
22 property mentioned. There's no suggestion that there are any
23 other properties of concern. And so it clearly does not
24 relate.

25 THE COURT: Address her argument that the amendment is

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1 were not in a foreclosure so our representation was completely
2 accurate and I'll leave it at that, Your Honor.

3 THE COURT: I'm taking the matter under submission.

4 MR. WISHNEW: Thank you.

5 MR. ESKANOS: Your Honor, am I excused?

6 THE COURT: Yes, you are.

7 MR. ESKANOS: Thanks, Your Honor. Have a great day.

8 MR. WISHNEW: Your Honor, that brings us to the matter
9 of Caren Wilson, claim number 4754. I believe Ms. Nora's in
10 the courtroom and has put in an appearance for Ms. Wilson.

11 This is a matter, Your Honor, which we are not going
12 to proceed with today. The reason --

13 THE COURT: As I understand it, there was an amended
14 claim, 475 --

15 MR. WISHNEW: 7181 --

16 THE COURT: Okay. 4754, which is the claim as to
17 which you have objected, has been superseded by an amended
18 claim?

19 MR. WISHNEW: That's the representation, Your Honor,
20 yes.

21 THE COURT: Have you verified that there was an
22 amended claim that was filed.

23 MR. WISHNEW: Yes, there was an amended claim that was
24 filed.

25 THE COURT: And what is your intention to do with

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1 respect to the amended claim?

2 MR. WISHNEW: Our intention is to address both this
3 claim, 4754, and 7181 in a more complete objection that
4 addresses not only the merits of 4754 but also the timeliness
5 and merits of 7181.

6 THE COURT: All right. Ms. Nora, do you want to be
7 heard briefly? This was filed as a -- Ms. Wilson filed this
8 claim without counsel but when did you begin -- have you filed
9 an appearance in this?

10 MS. NORA: I believe I have, Your Honor.

11 THE COURT: Come on up to the microphone.

12 MS. NORA: Thank you.

13 Your Honor, we object to the debtors' taking this
14 matter off of the calendar for today without notice to us. Ms.
15 Wilson and her expert witness have come to court today, would
16 like to make at least a partial record so that the Court is
17 partially informed. I --

18 THE COURT: The matter is adjourned.

19 MS. NORA: Thank you.

20 THE COURT: The matter is adjourned and, Mr. Wishnew,
21 you'll put it back on the calendar after the Court hears its
22 order to show cause why Ms. Nora's pro hac application or pro
23 hac status should be -- whether it should be revoked. We'll
24 see -- Ms. Wilson better consider other counsel, but for now
25 we'll go forward but I'm -- Mr. Wishnew, when was the amended

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1 claim filed?

2 MR. WISHNEW: The amended --

3 THE COURT: It was filed on September 23rd, 2013.

4 MR. WISHNEW: That's correct, Your Honor.

5 THE COURT: And --

6 MR. WISHNEW: Which was three weeks after --

7 THE COURT: After you filed your objection.

8 MR. WISHNEW: -- the objection was filed and one week
9 before the response was filed.

10 THE COURT: Absolutely. Which seems to be Ms. Nora's
11 method of dealing with matters. So the matter is adjourned.

12 MS. NORA: Your Honor, I --

13 THE COURT: I don't want to hear anything more from
14 you, Ms. Nora.

15 MS. NORA: That is unfair to me.

16 THE COURT: Ms. Nora, I don't want to hear anything
17 more from you. Let's move on, Mr. Wishnew.

18 MR. WISHNEW: Your Honor, the next matter before the
19 Court is the claim 2552 by Constantino and Sybil Acevedo. Your
20 Honor, this is a claim in the matter -- in the amount of
21 \$497,839.61. Based on extensive review of the debtors' books
22 and records, we show that this claim was -- actually, the
23 underlying note and loan were paid off, funds were applied on
24 August 9, 2013 and a refund of escrow was disbursed to Mr. and
25 Ms. Acevedo August 27, 2013.

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1 What they seem to be asserting in their claim is that
2 since GMAC has sought financial relief, they too should be
3 given financial relief. I'm not quite sure -- it's our
4 position that does not serve as a valid basis for a claim, and
5 that at this point, we would ask the claim be disallowed and
6 expunged.

7 THE COURT: For the reasons argued by the debtors the
8 claim of Constantino and Sybil Acevedo, the objection is
9 sustained and the claim is expunged.

10 MR. WISHNEW: Thank you, Your Honor.

11 The next matter is Jan Ibrahim, claim number 997, in
12 the amount of \$206,922.56.

13 THE COURT: Is anybody appearing for Jan Ibrahim?

14 MS. NORA: Your Honor?

15 THE COURT: Go ahead.

16 MS. NORA: I have consulted with Mr. Ibrahim and --

17 THE COURT: Have you filed an appearance on behalf of
18 Ibrahim?

19 MS. NORA: I have not because I --

20 THE COURT: Then I'm not going to hear you.

21 MS. NORA: -- Your Honor --

22 THE COURT: I'm not going to hear you.

23 MS. NORA: -- Mr. Ibrahim's position was if he could
24 not appear himself he wanted me to advise the Court of the
25 facts of his case.

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1 THE COURT: You're not permitted, Ms. Nora. You have
2 not appeared on behalf of Jan Ibrahim. I'm not going to listen
3 to you.

4 MS. NORA: Thank you, Your Honor.

5 THE COURT: One more -- one more episode of your
6 speaking on matters in which you do not appear and the court
7 security officer who's in the back of the room will escort you
8 out.

9 Go ahead, Mr. Wishnew.

10 MR. WISHNEW: Thank you, Your Honor.

11 With regards to Mr. Ibrahim's allegations of wrongful
12 foreclosure and wrongful reporting of loan modifications, this
13 is nothing more -- we felt it best to, again, revisit our
14 records, our servicing notes and related records and through
15 Ms. Horst, supplemental declaration and as set forth for the
16 Court the efforts made to -- to work with the debtor -- work
17 with the claimant, ultimately the loan was charged off, meaning
18 that simply the debtor ceased collection efforts -- I'm sorry;
19 ceased foreclosure efforts, and simply the loan remains
20 outstanding at this point in time. It's the debtors' position
21 that they acted properly in connection with any foreclosure and
22 credit reporting activities. They were doing what they were
23 supposed to be doing as a servicer to protect the property and
24 don't believe that Mr. Ibrahim has stated a valid claim for --

25 THE COURT: Let me ask you some questions.

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1 connection with the sale, was it?

2 MR. WISHNEW: My understanding is that it was
3 transferred to Ocwen contemporaneous with the sale, February
4 16th of this year.

5 THE COURT: Okay. All right.

6 Mr. Ibrahim acknowledges that he applied for a loan
7 modification and he alleges that while he was waiting for a
8 modification, his loan was transferred to a collection agency,
9 FBCS, Inc. The debtors' reply shows that Mr. Ibrahim ceased
10 making payments on his loan in November 2008. The debtors
11 mailed Mr. Ibrahim several breach of contract letters in 2009
12 and offered him a permanent loan modification on April 1, 2009.
13 That loan modification was ult i -- was denied on June 30, 2009
14 because Mr. Ibrahim failed to make the first payment under the
15 modification. The debtors reported Mr. Ibrahim's account to
16 the credit bureau on several occasions in 2009 because his
17 account was past due at the time. Based on the Court's review
18 of the papers, in particular the events submitted by the
19 debtors, the objection to the claim of Mr. Ibrahim is
20 sustained.

21 MR. WISHNEW: Thank you very much, Your Honor.

22 That brings us to the claim of Pamela Z. Hill, claim
23 number 2429. This is a claim in the amount of 389,331 dollars.
24 This matter -- again, it's not quite clear what the basis of
25 Ms. Hill's claim is. She is not --